

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 81
LEBANON, INDIANA

January 1, 2004 to December 31, 2004



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman, Bureau of Motor Vehicles Commission	Gerald Coleman	01-06-02 to 02-29-04
	Mary DePrez	03-01-04 to 01-09-05
	Joel Silverman	01-10-05 to 01-11-09
Branch Manager	Edward O. Rice	01-01-04 to 12-02-04
	Kathy Pugh	12-03-04 to 08-01-05
	Stacey Jarrett	08-02-05 to 12-31-05



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Number 81 (Branch) for the period of January 1, 2004 to December 31, 2004. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branch for the year ended December 31, 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 8, 2005

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 81
LEBANON, INDIANA
SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS
January 1, 2004 to December 31, 2004

	<u>Amount</u>
Collections:	
Registrations	\$ 5,773,955
Titles	1,403,966
Drivers licenses	179,662
Watercraft	128,277
Miscellaneous	<u>770</u>
Total	<u><u>\$ 7,486,630</u></u>
Distributions:	
State fees	\$ 2,879,109
County tax	3,794,415
Commission fees	<u>813,106</u>
Total	<u><u>\$ 7,486,630</u></u>

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 81
LEBANON, INDIANA
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles, and drivers licenses are sold. Fees are uniform throughout the state.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBER 81
 LEBANON, INDIANA
 STATISTICAL INFORMATION
 January 1, 2004 to December 31, 2004

<u>Transactions Processed</u>	<u>Quantity</u>
Vehicle registrations:	
Passenger	28,137
Motorcycle	1,198
RV (housecar)	646
Light truck	11,084
Other truck	616
Farm truck	368
Tractor	193
Trailer	4,796
Semitrailer	545
School and church bus	61
Other bus	15
Other	<u>428</u>
Total vehicle registrations	<u><u>48,087</u></u>
Drivers licenses and permits:	
Drivers licenses/learners permits	7,572
CDL licenses/CDL permits	639
Placards	960
Other	<u>4,649</u>
Total drivers licenses and permits	<u><u>13,820</u></u>
Titles:	
Vehicles	41,557
Watercraft	<u>312</u>
Total titles	<u><u>41,869</u></u>
Total watercraft registrations	<u><u>1,458</u></u>

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 81
LEBANON, INDIANA
EXAMINATION RESULTS AND COMMENTS

JOURNAL RECONCILEMENT

Reconciliations of the branch journal to the bank balance were not properly completed by the bookkeeper. After the close of each month, the bookkeeper would prepare a reconciliation of the depository balance to the journal balance. Each month, the reconciliation included an adjustment for "bank errors." There was no basis for the amount reported as bank errors. It was simply the amount needed to make the reconciliation appear to be completed.

All accounts are required to be reconciled on a monthly basis. (Branch Operations Policies and Procedures Manual, Journal/Balancing Chapter)

ACCOUNTABLE ITEMS

The following schedule details missing items revealed during a comparison of actual inventory of accountable items to the Open Inventory Report of the State Bureau of Motor Vehicles at December 31, 2004. No evidence was found to indicate these items have been sold.

<u>Year</u>	<u>Plate Type</u>	<u>Plate Number</u>
2005	Trailer 3,000	19379H
2006	Specialty Passenger	RL9900
2007	Passenger	6A2624
2007	Passenger	6A2650
2007	Passenger	6A2657
2007	Truck 11,000	51679B
2008	Farm Semi	529001 to 529010

A listing of the items that are to be accounted for to the State Board of Accounts is included in the Branch Operations Policies and Procedures Manual. (Branch Operations Policies and Procedures Manual, Supplies and Equipment Chapter)

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 81
LEBANON, INDIANA
EXIT CONFERENCE

The contents of this report were discussed on November 8, 2005, with Stacey Jarrett, Branch Manager.